REMARKS

Reconsideration of the subject application is respectfully requested. The claims have been amended to recite particular aspects of the invention as set forth in detail below in the Summary of the Invention section. Applicants set forth hereinbelow a detailed response to the last office action including a Summary of the Invention, the Issues presented by the last office action, and the Argument in response to each ground of rejection.

SUMMARY OF THE INVENTION

The present invention as recited in independent Claims 26 and 35 is directed to a novel method of billing for advertisements, including receiving advertising information, calculating the cost of advertising (billing amount) based on the advertising information received, confirming that the ad has been paid for and then storing the advertising information if payment is confirmed, and then printing a receipt for a customer placing the advertising information. This invention provides an efficient method that can be used at kiosks or check-out counters. It allows customers to simply and effectively input the type of ad that they want, pay for the ad, have it stored, and get a receipt that in effect confirms the transaction.

For example, the present invention may be used with a Point of Sale (POS) system. With reference to Fig. 1, POS system 101 comprises an information input terminal 111, which may be located at a kiosk, for example, a server computer 121, which may be remotely located from the kiosk terminal 111, and a cash register/terminal 131, which may be located at the kiosk or at a separate convenience store. Fig. 5 is a functional block diagram of the POS system and Fig. 2 is a block diagram of the information input terminal according to the present invention.

Independent Claims 26 and 35 recite receiving advertising information. The advertising information input control module 201 receives input from the input device 114 (touch panel of information input terminal 111) for inputting text data, inputs this advertising information to predetermined memory, i.e. RAM 117A within the information input terminal, and executes control through

CPU 112 to temporarily save the same (see the specification at page 11, lines 22-26, for example). The sequence of receiving advertising information is shown in Fig. 6, steps S504 – S507, for example.

Independent Claims 26 and 35 then recite calculating a billing amount based on the advertising information received. The billing amount calculating module 204 calculates the charges for advertising, based on the printed output size of the input advertising information, or added information such as the duration of advertising, specified recipients of the ad, and so forth. In this case, a registration number and money due are printed on a ticket-like sheet by printer 116 provided on the information input terminal device 111, either in text or converted into a bar-code pattern, thus creating a registration card (see the specification at page 12, lines 1-7, for example).

Independent Claims 26 and 35 then recite confirming payment of the billing amount calculated. The individual who wishes to run this ad takes the registration card to the cash register 131, where the information on the registration card is read in with a bar code reader 133 and the charges are paid by the customer. Payment through the cash register thus executes the billing amount payment confirmation. That is to say, the cash register functions as the billing amount payment confirming module 205 (see the specification at page 12, lines 15-20, for example).

Independent Claims 26 and 35 then recite storing the advertising information received if payment of the billing amount is confirmed. The advertising information storing control module 206 connected to the billing amount payment confirming module 205 receives transmission of this payment information, and finally registers the file of the advertising information, which has been temporarily saved, in the non-volatile storing device 125 in a readable form (see the specification at page 12, lines 20-23, for example).

Independent Claims 26 and 35 then recite printing a receipt for a customer placing the advertising information. For example, the cash register 131, upon receiving notice of the fact that final registration has been made via

the interface 135 (step S1214, Fig. 14), prints a receipt for the customer placing the ad to the effect that the ad has been received (step S1215).

Thus, in the present invention, whether or not payment is made is verified first. After payment has been confirmed, the ad information is stored. This screens people who are just browsing or thinking about placing an ad and thus saves storage space, which is very limited in a point-of-sale system.

Dependent Claims 27 and 36 recite that the receiving advertising information includes receiving image information. The information input or kiosk terminal 111 includes an image scanner 115 as an input device thereof (see the specification at page 7, lines 4-7, for example). The customer who is placing the ad can provide a drawing or the like to be printed on the receipt beforehand, and have this read in with the scanner 115 to form part or all of the ad (see the specification at page 8, lines 26-28, for example).

Dependent Claims 28 and 37 recite receiving check-out information, retrieving the stored advertising information and synthesizing the received check-out information with the retrieved advertising information, and generating printing data to be printed as a check-out receipt. In the event that a store customer purchases a product and is ready to make payment at the cash register, the sum of the products is calculated by the check-out information input control module 207 and displayed on the display 136. Once payment is made by the customer, the printing data generating module 208, which may be executed by the server 121, synthesizes or combines the advertising information file appropriate to the customer's profile (age, gender, etc.) with the check-out information data according to a predetermined format, thus generating printing data (see the specification at page 12, lines 24-31, for example).

Dependent Claim 29 further recites that the receiving check-out information step includes receiving customer information, and wherein the retrieving stored advertising information step includes selecting and retrieving one advertising information item from a plurality of advertising information items stored in the storing step, based on the customer information received in the receiving check-out information step. The printing data generating module

208 makes reference to the added information such as the age group, gender, etc., of the customer that has been input at the time of check-out information input. It compares this customer profile with the target customer profiles associated with each ad. In the event that the customer is judged to be in the target audience of an advertisement, the file of that advertising information is read out from the non-volatile storing device 125, and synthesized data (receipt with printed ad) is generated. In the event that more than one ad matches, then only one ad is printed. Any suitable priority scheme may be employed, such as printing the ad that had been printed the least from the group of matching ads (see the specification at page 12, lines 31, to page 13, line 3, for example).

Dependent Claims 30 to 33 recite that the receiving advertising information step includes receiving a period for running an advertisement, receiving characteristics of an advertisement recipient, such characteristics including at least one of gender, age, and occupation, and a printing size of an advertisement, and the step of calculating a billing amount includes calculating a billing amount based on advertising information including at least one of the above factors. Fig. 9 shows a display example of the input menu for the expiration date of the advertising information. The customer who is placing the ad can input the date that an event or the like is being held so that the ad will expire on that date (see the specification at page 14, lines 10-12, for example). Fig. 10 illustrates a display example of the input menu for the specified target customer groups for the advertising information (see the specification at page 14, lines 20-21, for example). Fig. 13 illustrates a display example of a registration confirmation menu. With the registration confirmation menu, buttons 1152 are for specifying printing size (see the specification at page 15, lines 30-33, for example). The billing amount calculating module 204 calculates the charges for advertising, based on the printed output size of the input advertising information, or added information such as the duration of advertising, specified recipients of the ad, and so forth (see the specification at page 12, lines 1-4, for example).

Dependent Claim 34 recites displaying an advertisement in a size that is the same as a printing size of said advertisement. In preview screen 1151, the

same view that will appear as the printed image (ad) will be displayed when specified as one of the registration processes (see the specification at page 15, line 35 to page 16, line 2, for example).

Dependent Claim 38 recites that the information recording medium comprises a compact disk, floppy disk, hard disk, optical-magnetic disk, digital video disk, magnetic tape, or semiconductor memory (see the specification at page 4, line 32 to page 5, line 2, for example).

The present invention as recited in independent Claim 40 is directed to a novel method of billing for advertisements. It includes including receiving advertising information from an input terminal. The advertising information input control module 201 receives input from the input device 114 (touch panel of information input terminal 111) for inputting text data, inputs this advertising information to predetermined memory, i.e. RAM 117A within the information input terminal, and executes control through CPU 112 to temporarily save the same (see the specification at page 11, lines 22-26, for example).

Claim 40 further includes transmitting said advertising information to a server. Pressing the OK button 1160 for temporary registration (YES in step S511, Fig. 6) transmits the type of advertising information, expiration date, customer target group information, and advertising information (ad text/image) to the server 121 via the interface 118 (step S512 - see the specification at page 16, lines 12-15, for example).

Claim 40 further includes printing a temporary registration containing an ID. A bill also serving as a registration card is issued from the printer 116 of the information input terminal (step S520 - see the specification at page 16, lines 27-29, for example).

Claim 40 further includes reading the ID by the input terminal (step S1201 in Fig. 14 – see specification at page 17, lines 7-10, for example). Claim 40 further includes confirming the ID in the server (step S1204 in Fig. 14 – see specification at page 17, lines 13-18, for example).

Claim 40 further includes calculating a billing amount. Once the confirmation process ends, the billing amount calculated beforehand is

transmitted to the cash register 131 (step S1205 in Fig. 14 – see specification at page 17, lines 18-19, for example). Claim 40 further includes displaying the billing amount (step S1208 in Fig. 14 – see specification at page 17, lines 22-24, for example).

Claim 40 further includes receiving payment (step S1209 in Fig. 14 – see specification at page 17, lines 25-29, for example). Claim 40 further includes registering the advertising information in the server after receiving payment (step S1212 in Fig. 14 – see specification at page 17, lines 30-34, for example).

Claim 40 further includes printing a receipt for a customer placing the advertising information. For example, the cash register 131, upon receiving notice of the fact that final registration has been made via the interface 135 (step S1214, Fig. 14), prints a receipt for the customer placing the ad to the effect that the ad has been received (step S1215).

ISSUES

(1) Whether Claims 26-38 are unpatentable under 35 U.S.C. 102 (e) as being anticipated by Kanevsky et. al. (U.S. 6,334,109 B1) (hereinafter "Kanevsky).

(2) Whether Claims 26-38 are unpatentable under 35 U.S.C. 103 (a) as being obvious in view of Kanevsky.

(3) Whether Claims 26-38 and 40 are unpatentable under 35 U.S.C. 103 (a) as being obvious in view of Kanevsky and Dedrick (U.S. 5,724,521) (hereinafter "Dedrick").

(4) Whether Claim 40 is unpatentable under 35 U.S.C. 103 (a) as being obvious in view of Kanevsky and Schulze (U.S. 6,233,564 B1) (hereinafter "Schultz").

(5) Whether Claim 40 is unpatentable under 35 U.S.C. 103 (a) as being obvious in view of Kanevsky, Dedrick and Schulze.

ARGUMENT

A. The Rejection Based Upon Anticipation By Kanevsky

In paragraph 5 of the final office action the Examiner sets forth his rejection of Claims 26-38 as being anticipated by Kanevsky, with certain limitations argued as being inherent in the Kanevsky system. To invalidate a patent by anticipation, a prior art reference normally needs to disclose each and every limitation to the claim. However, a prior art reference may anticipate when the claim limitation or limitations not expressly found in that reference are nonetheless inherent in it. Under the principles of inherency, if the prior art necessarily functions in accordance with, or includes the claimed limitations, it anticipates. *Atlas Powder Co. v. IRECO Inc.*, 51 USPQ2d 1943, 1946 (Fed. Cir. 1999).

Kanevsky is directed to a system that stores an advertisement database, a user database and a goods database. It allows a personalized advertisement to be sent to a transaction terminal for presentation to the user. Independent Claims 26 and 35 recite receiving advertising information. Kanevsky's system has an advertisement database 115 that stores advertisements. The advertisement server uses a user database, a goods database, and the advertisement database to locate an existing ad or create a new advertisement that is personalized to the particular user. See Kanevsky's abstract, for example. With regard to this limitation, the Examiner states that receiving advertising information is inherent in Kanevsky "since how else would it be able to print an advertisement?" Kanevsky provides the answer to that question. The advertisements can be created in his system to be specific to a particular user. For example, if the user is buying medicine for treating a headache, and the user has purchased a book written by a certain author in a prior transaction, the advertisement server might create an advertisement with a description of a new medicine for headache treatment and a new book written by the same author. Thus the personalized ad printed on the sales receipt is created by the advertisement server. See column 5, lines 44 to 57, for example. Kanevsky's system may possibly receive advertising but "anticipation by inherent disclosure is appropriate only when the reference discloses prior art that necessarily

includes the unstated limitation (emphasis added)" *Transclean Corp. v. Bridgewood Services, Inc.* 62 USPQ2d 1865, 1871 (Fed. Cir. 2002).

Claims 26 and 35 next recite calculating a billing amount based on said advertising information. Kanevsky does not appear to disclose anything about calculating a billing amount based on the advertising information. Again, the Examiner contends that this feature is inherent "since advertising is rarely free." "Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient." *In re Robertson*, 49 USPQ2d 1949, 1951 (Fed. Cir. 1999). Billing for the use of Kanevsky's advertisement generation system could be based on a subscription service (flat monthly or annual fee) or number of ads printed. It does not necessarily depend on the particular advertising information that was received in the receiving step, as specifically claimed.

Claims 26 and 35 next recite confirming payment of said billing amount calculated. To this limitation the Examiner merely responds "payment of the cost of the ad." It is presumed that he believes this limitation is also inherent. However, Kanevsky does not appear to disclose anything about confirming payment of said billing amount calculated nor does there appear to be any reason to think that such a feature would necessarily follow from his disclosure. *Transclean Corp., supra.*

Claims 26 and 35 next recite storing said advertising information received if payment of said billing amount is confirmed. The Examiner seems to address only the storing aspect of this limitation. Kanevsky does not discuss calculating a billing amount, clearly discusses nothing about confirming payment of the billing amount, and most certainly does not disclose or suggest storing the advertisement information if payment of the billing amount is confirmed. Since Kanevsky uses his advertising database to locate an existing advertisement or create a new advertisement that is personalized to the particular user it is clearly not necessary and does not even seem feasible that he would store the advertisement information if payment were confirmed. The advertisement information in Kanevsky is stored in the advertising database for use in creating ads, but it is not known in advance which ads will be created and printed. This

depends on the check-out customers and their purchases in the current transaction.

Claims 26 and 35 next recite printing a receipt for a customer placing the advertising information. Again Kanevsky does not discuss, teach or suggest this limitation.

Dependent Claims 27 and 36 recite that the receiving advertising information includes receiving image information. To this limitation, the Examiner states "inherent in advertisements." Images in advertisements is not the issue. The issue is whether or not Kanevsky necessarily receives image information as advertising information, *Transclean Corp., supra,* and the Examiner has failed to establish this fact.

Dependent Claims 30 to 33 recite that the receiving advertising information step includes receiving a period for running an advertisement, receiving characteristics of an advertisement recipient, such characteristics including at least one of gender, age, and occupation, and a printing size of an advertisement, and the step of calculating a billing amount includes calculating a billing amount based on advertising information including at least one of the above factors. To these limitations, the Examiner basically takes the position that these factors are inherent in Kanevsky stating that "inherent since virtually no ad runs forever" and "the ad is printed at whatever size, " and with regard to billing "inherent in virtually all ads." However, as stated previously, inherency may not be established by probabilities or possibilities. *In re Robertson, supra.* The Examiner has not established that Kanevsky necessarily receives the type of advertising information specifically recited nor has he established that Kanevsky necessarily calculates a billing amount based on these factors.

B. **The Rejection Based Upon Obviousness in view of Kanevsky**

The Examiner in paragraph 9 of the final office action alternatively rejects Claims 26-38 as being obvious in view of Kanevsky. He states it would be obvious "to modify Kanevsky to include confirming payment after calculating a billing amount, and receiving image information. ...Such a modification would have

implemented the standard business practice of confirming payment before transfer of possession is performed." The Examiner offers no evidence to support his contention that it is standard business in advertising that the advertising information is stored if the payment of the calculated billing amount is confirmed. Far more likely in a system like Kanevsky's is that a user pays a flat fee for using the system or pays for the number of ads that promote the user's product. In either case, payment would be calculated and payment would be received at the end of the month, for example, once the time frame has expired or the number of "uses or hits" can be calculated. The present invention can be used at a small store or kiosk where an individual can input his ad, pay for it, and have it printed on receipts. In this environment, which is quite different than the environment of Kanevsky, an individual must pay for his ad before it is finally registered and stored for subsequent printing on receipts. This may be obvious to the Examiner after reading applicants' disclosure but "obviousness may not be established using hindsight or in view of the teachings or suggestions of the inventor. Obviousness must be established by clear and convincing evidence." *Para-Ordnance Manufacturing, Inc. v. SGS Importers International, Inc.* 37 USPQ2d 1237, 1239 (Fed. Cir. 1995).

WRONG

C. **The Rejection Based Upon Obviousness in view of Kanevsky and Dedrick**

In paragraph 10 of the final office action the Examiner sets forth his rejection of Claims 26-38 and 40 as being obvious in view of Kanevsky and Dedrick. In paragraph 20 of the final office action, the Examiner states that he "relies on Dedrick only to show that the advertisement is a function of a particular customer (i.e. the 'matching process') and in turn, the cost of the particular advertisement is 'based on the comparison by the matching process.' Nothing more." However the claims recite confirming payment of said billing amount calculated, and storing said advertising information received if payment of said billing amount is confirmed. Combining Dedrick with Kanevsky does not meet these claim limitations since Dedrick does not teach what is being recited.

Dedrick in fact teaches away from the present invention. In order for Dedrick's system to work, the advertising information must be stored for

subsequent printing or display before the cost is calculated or payment is confirmed. See, for example col. 11, line 17 to line 27. The fee that the metering server 14 charges the advertiser 18, in addition to the amount an advertiser 18 pays each time the ad is consumed by individual, is dependent on a number of factors including the type of consumer that sees the ad (col. 11, line 59 to col. 12, line 8). This is a complex arrangement that calculates the cost after ads are shown to the consumer. It is the opposite of the claimed invention, and if combined with Kanevsky leads one away from what is specifically recited by applicants.

D. **The Rejection Based Upon Obviousness in view of Kanevsky and Schulze**

In paragraph 11 of the final office action the Examiner sets forth his rejection of Claim 40 as being obvious in view of Kanevsky and Schulze. In addition to the features of independent Claims 26 and 35 discussed in Paragraph A of this Argument (incorporated herein by reference), independent Claim 40 recites printing a temporary registration containing an ID, reading said ID by said input terminal (from which advertising information is received), and confirming said ID in said server (to which the advertising information is transmitted). The Examiner contends that it would be obvious to modify Kanevsky with an ID reader as taught by Schulze. However, the claim recites reading the ID by the input terminal from which advertising information is received, and confirming the ID in the server to which the advertising information is transmitted. Combining Schulze with Kanevsky does not meet these limitations. Further, the determination of obviousness cannot be based on the hindsight combination of components selectively culled from the prior art to fit the parameters of the invention. *ATD Corp. v. Lydall, Inc.*, 48 USPQ2d 1321, 1329 (Fed. Cir. 1998).

E. **The Rejection Based Upon Obviousness in view of Kanevsky, Dedrick and Schulze**

In paragraph 12 of the final office action the Examiner sets forth his rejection of Claim 40 as being obvious in view of Kanevsky, Dedrick and Schulze

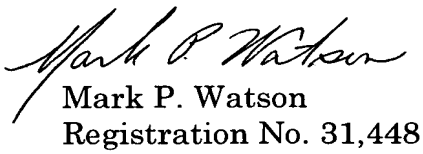
and applies the same rational as in paragraph 11 of the final office action. Applicants response to the Examiner's obviousness rejection based on the combination of Kanevsky/Dedrick and Kanevsky/Schulze are presented above in Paragraphs C and D, respectively, of this Argument, which are incorporated herein by reference.

CONCLUSION

It is respectfully submitted that the Examiner recognizes the several patentable differences between the prior art and claimed invention but seeks to minimize such differences by characterizing the missing features as inherent or obvious. But the law requires more than just the Examiner's opinion. Inherency requires that the Examiner show that the prior art necessarily includes the claimed features and obviousness must be based on more than applicants' own teachings.

In view of the foregoing amendments and remarks, Applicant respectfully request favorable reconsideration of the present application.

Respectfully submitted,



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